

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-06 NEA-10 ISO-00 CAB-02 CIAE-00

COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 XMB-02

MC-02 ACDA-05 PM-03 NSC-05 SP-02 SS-15 TRSE-00 OMB-01

L-03 /083 W

----- 043075

R 251340Z JUN 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 1688

AMEMBASSY BEIRUT

INFO FAA BRUSSELS

AMCONSUL DHAHRAN

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY TOKYO

AMEMBASSY TAIPEI

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E.O.: 11652: N/A

TAGS: EAIR, SA

SUBJ: SAUDIA PLANS

REF : BEIRUT 8002

1. INFORMATION CONTAINED IN REFTEL IS ACCURATE, ON THE WHOLE. SAUDIA NOW HAS ON ORDER TWO BOEING 737S (TO BE DELIVERED IMMEDIATELY) AND TWO 707S DUE IN NOVEMBER. IN ADDITION, THE SAUDIA BOARD OF DIRECTORS WILL BE ASKED TO AUTHORIZE PURCHASE OF THREE MORE (NOT TWO) 737-268 TWIN-JETS AND ONE 707. DELIVERY AS PER REFTEL.

2. SAUDIA PLANS TO HAVE FIRST TWO LOCKHEED L-1011S IN SERVICE BY AUGUST 15. THEY WILL OPERATE ON THE RUN TO ENGLAND, AS FAR EAST AS KARACHI AND IN-COUNTRY. TWO
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MORE TRISTARS ARE SCHEDULED FOR DELIVERY IN 1976 AND

1977. AT THIS TIME SAUDIA HAS NOT RPT NOT DECIDED TO EXERCISE ITS OPTION TO BUY AN ADDITIONAL TWO TRISTARS IN 1978 AND 1979. TRISTARS WILL CAUSE CONSIDERABLE PROBLEMS IN PASSENGER HANDLING BECAUSE OF PRIMITIVE TERMINALS IN JIDDA AND RIYADH, BUT SAUDIA HAS ALREADY BROKEN GROUND ON A TRISTAR TERMINAL IN JIDDA. ALL TRISTARS WILL BE RETROFITTED WITH ROLLS ROYCE ENGINES AS SOON AS POSSIBLE.

3. SAUDI HAS ALSO WET LEASED THREE 720BS FROM ETHIOPIAN AIRWAYS TO HELP MEET HEAVY LOAD FACTORS. IN LAST TWO YEARS LOAD FACTOR HAS INCREASED BY OVER 100 PERCENT.

4. LOAD FACTOR ALSO IMPORTANT IN CONSIDERATION OF POSSIBLE BOEING 747S. AT THIS TIME, HOWEVER, SAUDIA HAS MERELY ASKED BOEING TO COME UP WITH SOME FIGURES, AND POSSIBILITY OF USING BOEING COMBI (747-268C) STILL VERY MUCH CONJECTURAL.

5. SAUDIA IS ALSO ACTIVELY CONSIDERING PURCHASE OF TWO ROCKWELL SABER LINES FOR ITS CHARTER FLEET. FYI, ROCKWELL AGENT IS ALSO MAKING STRONG EFFORT TO SELL LOCAL BUSINESSMEN.

6. SAUDIA EXPECTS TO BE OPERATING ON NEW FAR EAST RUNS BY NOVEMBER. BILATERALS HAVE BEEN SIGNED WITH TAIPEI AND MALAYSIA, AND NO TROUBLE IS EXPECTED WITH MANILA, BUT TOKYO IS PROVING SOMEWHAT DIFFICULT. SAUDIA EXPECTS TO BE ABLE TO CARRY A CONSIDERABLE AMOUNT OF THROUGH TRAFFIC FROM FAR EAST TO EUROPE. DECISION ON NORTH ATLANTIC RUN AWAITS A DEFINITIVE STUDY. THE BOARD HAS BEEN INFORMED THAT THE STUDY IS UNDERWAY, BUT IT IS TOO EARLY NOW TO TELL WHETHER MANAGEMENT WOULD RECOMMEND A STRAIGHT RUN, OR SOME SORT OF CHARTER AGREEMENT. MANAGEMENT IS ALSO ACTIVELY CONSIDERING POSSIBILITY OF REOPENING RUN TO FRANKFURT NOW THAT RELATIONS ARE REGULARIZED AND SIGNIFICANT NUMBER OF GERMAN BUSINESSMEN COMING TO THE KINGDOM.

7. SAUDI MANPOWER WILL BE UP TO 610 U.S., 1785 THIRD COUNTRY, AND 5100 SAUDI EMPLOYEES (A TOTAL OF 7448) BY DECEMBER OF 1975. MOST WILL BE ON HAND TO GREET THE TRISTARS. HOWEVER, SAUDIA FACES MASSIVE HOUSING PROBLEMS, LIMITED OFFICIAL USE

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AS DO ALL OTHER BUSINESSES ATTEMPTING TO USE EXPATRIATE LABOR IN SAUDI ARABIA.

8. EMBASSY WOULD WELCOME VISIT BY REGIONAL CIVIL AIR ATTACHE. WE AGREE THAT THIS MARKET WARRANTS FAR MORE FREQUENT VISITS. SUGGEST THAT RCAA CONTACT EMBASSY IN EARLY JULY. WE WILL THEN ATTEMPT TO FIND HOTEL SPACE AS SOON AFTER ISLAMIC FOREIGN MINISTERS' CONFERENCE

ENDS AS POSSIBLE. (WE HAVE RECENTLY HAD TO TURN AWAY
SEVERAL HIGH RANKING VISITORS BECAUSE OF DEARTH OF
HOUSING.) IT IS ALSO CRUCIAL THAT WE HAVE AT LEAST TWO
WEEKS NOTICE BEFORE ANY PLANNED ARRIVAL.
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